

STATE OF HAWAII — DEPARTMENT OF TAXATION
INSTRUCTIONS FOR FORM G-6

IMPORTANT NOTE: MAKE SURE THAT THE FOLLOWING REQUIREMENTS ARE ALL MET BEFORE SUBMITTING THIS APPLICATION. OTHERWISE, THIS OFFICE WILL NOT REVIEW, CONSIDER, NOR APPROVE YOUR EXEMPTION REQUEST.

Note: Act 125, Session Laws of Hawaii 2001, simplifies the general excise tax exemption application process for certain nonprofit organizations. Organizations described in Internal Revenue Code (IRC) section 501(c)(3), (4), (6), or (8) that are recognized by the Internal Revenue Service (IRS) as tax-exempt, or that have submitted an application for tax-exemption to the IRS; or a subordinate organization of an organization who has received a group exemption letter under the IRC sections stated above, may file a short form application on Form G-6S, Application for Exemption from General Excise Taxes (Short Form) in lieu of filing a full application on Form G-6, Application for Exemption from General Excise Taxes.

LINE-BY-LINE INSTRUCTIONS

- 1. Name of Organization:** The name of the organization should be the name that appears in the articles of incorporation or other organizing document, including amendments.

Enter the organization's mailing address and business address (where records are kept). Provide the name of a contact person and daytime telephone number, including the area code, at which the contact person can be reached during business hours.

- 2. General Excise Tax Exemption Sections:**

Only organizations which are described below may receive a general excise tax exemption. Check the box on the application for the section which describes your organization.

Section 237-23(a)(3), HRS: "Fraternal benefit societies, orders, or associations, operating under the lodge system, or for the exclusive benefit of the members of the fraternity itself, operating under the lodge system, and providing for the payment of death, sick, accident, prepaid legal services, or other benefits to the members of such societies, orders or associations, and to their dependents."

Section 237-23(a)(4), HRS: "Corporations, associations, trusts, or societies organized and operated exclusively for religious, charitable, scientific, or educational purposes, as well as that of operating senior citizens housing facilities qualifying for a loan under the laws of the United States as authorized by section 202 of the Housing Act of 1959, as amended, as well as that of operating a prepaid legal services plan, as well as that of operating or managing a homeless facility, or any other program for the homeless authorized under chapter 201G, part IV."

Section 237-23(a)(5), HRS: "Business leagues, chambers of commerce, boards of trade, civic leagues, agricultural and horticultural organizations, and organizations operated exclusively for the benefit of the community and for the promotion of social welfare which shall include the operation of a prepaid legal service plan, and from which no profit inures to the benefit of any private stockholder or individual."

Section 237-23(a)(6), HRS: "Hospitals, infirmaries, and sanitarium."

- 3. Under what section of the IRC is the applicant qualified for federal tax exemption?** If you do not know the section, contact the IRS.

4. Items That Must Be Submitted:

A. Articles of Organization — Your organization must include an executed copy of its articles of incorporation, articles of association, constitution, trust instrument, or any other written instrument by which it is created and sets forth the purposes of the organization.

B. By-Laws — Submit a copy of your organization's executed by-laws. If the organization does not have any by-laws, the organization should provide a written statement to this effect.

C. IRS Determination Letter Granting Federal Tax Exemption — Submit a copy of the IRS letter granting your organization exemption from the federal income tax. If the IRS has not yet issued the determination letter, the Department may approve the Form G-6 on a conditional basis. Upon receipt of the IRS determination letter, a copy must be submitted to the Department, and the Department will change the conditional exemption to a permanent exemption. If the IRS does not make a favorable determination, the Department will revoke the conditional exemption. **Note:** Churches are not required to apply for recognition of exempt status with the IRS, therefore, they are not required to submit the IRS determination letter. The organization must enter its federal employer's identification number on line 4C.

E. \$20 Registration Fee — There is a one-time registration fee of \$20 that must be paid. Make the check payable to: HAWAII STATE TAX COLLECTOR. If the organization has a general excise license and has already paid the \$20 general excise license fee, the organization does not have to pay the \$20 registration fee with the Form G-6. The organization must enter their general excise license number on line 4E. If the organization has an employer's withholding identification number but not a general excise license, the organization must pay the \$20 registration fee with this application since there is no fee for acquiring an employer's withholding identification number. Do not enter the withholding identification number in the space provided.

SCHEDULE INSTRUCTIONS

NOTE: SCHEDULES A, B, C, and D MUST BE COMPLETED.

SCHEDULE A — STATEMENT OF ORGANIZATION:

If part of a central (national) organization, indicate the name of the central organization. A central organization is an organization that has one or more subordinates under its general supervision or control. A subordinate organization is a chapter, local, post, or unit of a central organization. A central organization may be a subordinate itself, such as a state organization that has subordinate units and is itself affiliated with a central (national) organization.

SCHEDULE B — LIST OF OFFICERS, DIRECTORS OR TRUSTEES:

List the full name, address, daytime telephone number, office held, salary, and time devoted to

duties for each officer, director, or trustee, as applicable. Attach a separate sheet if more space is needed.

SCHEDULE C — COMPARATIVE BALANCE SHEET:

The comparative balance sheet must show assets, liabilities, and net worth as of the end of the previous year and current year. If your organization was recently formed and it has not yet acquired any assets nor incurred liabilities, you need not complete this schedule. The organization should, however, state on Schedule C that they do not have any assets or liabilities.

If the organization is a central (national) organization and is opening/establishing a Hawaii chapter, (that is, engaging in business both within and without Hawaii), the organization must provide a comparative balance sheet from Hawaii sources only. If no assets or liabilities are from Hawaii sources, the organization should state this on Schedule C.

If the organization is a church that operates a preschool or day-care center, a comparative balance sheet for the preschool or day-care center must be provided in addition to and separate from the comparative balance sheet for the church.

SCHEDULE D — COMPARATIVE STATEMENT OF RECEIPTS AND DISBURSEMENTS:

The organization should provide a statement of receipts and disbursements for the previous year and the current year. If your organization was recently formed and it has not generated any income nor incurred expenses, prepare a projected budget of anticipated income and related expenses covering the current year and the next year.

If the organization is a central (national) organization and is opening/establishing a Hawaii chapter, (that is, engaging in business both within and without Hawaii), the organization should provide a comparative statement of receipts and disbursements from Hawaii sources only. If no receipts and disbursements are from Hawaii sources, the organization should state this on Schedule D.

If the organization is a church that operates a preschool or day-care center, a comparative statement of receipts and disbursements for the preschool or day-care center must be provided in addition to and separate from the comparative statement of receipts and disbursements for the church.

SIGNATURE AND TITLE: The application must be signed and dated by an officer or person with a valid power of attorney.

MAILING ADDRESS:

State of Hawaii
Department of Taxation
Technical Section
P. O. Box 259
Honolulu, HI 96809-0259

TELEPHONE NUMBER: (808) 587-1577

PROCESSING TIME: Processing of the application will usually take approximately 6 to 8 weeks from the date the application is received by the Department.